THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) and (c) The exports of leather footwear from India has been increasing steadily over the last few years and have grown from a level of Rs. 280 crores in 1990-91 to more than Rs. 900 crores in 1994-95. Realising the vast untapped export potential, leather footwear has been identified for intensive focus by the Government to achieve large incremental growth in exports. As part of the export promotion strategy certain steps have been taken e.g., instituting various training programmes including programmes for trainer-training, establishing design studies with CAD/CAM facility; estabishment of dedicated industrial estates for footwear; reduction/rationalisation of Customs/Excise duty on footwear and footwear components; coordinated marketing etc.

Growth in leather exports

6762. SHRI YERRA NARAYANASWAMY: Will the Minister of COMMERCE be pleased to state:

(a) what is the projected growth in leather exports for 1995-96;

(b) whether any efforts are proposed to explore new markets for leather;

(c) whether Andhra Pradesh is a major contributor of raw leather used for exports;

(d) whether any incentives are given to enterpreneurs to set up modern leather processing units for exports; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) The expected growth in the exports of leather and leather products during 1995-96 is estimated to be about 16 per cent.

(b) Yes, Sir. Efforts are being made to explore new markets such as South Africa.

(c) Andhra Pradesh contributes around 11 per cent of the total availability of raw hides and skins in the country.

(d) and (e) No special incentives are being given for setting up leather processing units for exports at present apart from the general incentives available for the exporters.

Machinery imports by DGFT and DRI

6763. SHRI VAYALAR RAI: Will the Minister of COMMERCE be pleased to state:

(a) whether Governments attention has been drawn to a report in the Asian Age dated the 29th April, 1995 that DGFT and DRI clash over machinery imports; and

(b) if so, what steps have been taken to check the fraud of certain firms of over invoicing and other malpractices?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes Sir.

(b) M/s. Rama Newsprint & Papers Ltd., were issued an import licence on 2.4.1992 for import of second hand machinery for the manufacture of newsprint on the recommendation of the Secretariat for Industrial Approvals in the Ministry of Industry based on the clearance given by the Special Approvals Committee-NRI. The firm later made a request to allow them to import machinery/components which were more than 7 years old in relaxation of the condition laid down in the Policy prevailing at that time. The amendment was recommended by the concerned technical authority. The request of the firm was considered by the appropriate Inter-Ministerial Committee constituted under the EXIM Policy 1992-97. The Committee approved the import of the said machinery/components. As far

as action against the firm for over invoicing/malpractices is concerned, sufficient provisions exist in the Foreign Trade (Development & Regulation Act, 1992) to deal with such cases.

Issue of licences for import of Soyabean

6764. SHRIMATI CHANDRIKA ABHINANDAN JAIN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government have issued licences for import of Soyabean and these imports have been exempted from any duty under the advance licence scheme;

(b) whether it is also a fact that these importers will be required to export only the oilcakes and extraction and sell the soyabean oil in the open market without payment of any duty;

(c) whether Government is aware that domestic price of soyabean oil is double the international price, as a result of which these importers will be free to sell oil into the open market at the domestic price and earn huge profits without any tax liability; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (d) A Special Scheme has been notified vide Ministry of Commerce Public Notice No. 273 (PN)/92-97 dated 20-2-1995 permitting duty free import of Soyabean under Advance Licensing Scheme with an obligation to export Soyabean Extraction only and retention of Soyabean Oil for sale in the domestic market to supplement the domestic availability of edible oils. The Scheme imposes higher export obligation of Soyabean Extraction for neutralising the gains which are likely to accrue as a result of domestic sale, which will be at par with other domestic sales for the purpose of taxation.

Survey regarding exports of sandalwood products

6765. SHRI YERRA NARAYANASWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether Government has done any survey of exports of sandalwood and products made from sandalwood;

(b) if so, what is the acope for such exports; and

(c) whether Government is exploiting the export potential fully?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) and (c) Export of sandalwood in its raw form is prohibited under the existing Export-Import policy. This is to ensure that only value added sandalwood products are exported which in turn will bring more foreign exchange to the country. To exploit the export potential of sandalwood products fully, policy for export of finished handicrafts made out of sandalwood and machine finished sandalwood products has been liberalised. Export promotion measures for the above products are taken through the Chemicals and Allied Products Export Promotion Council (CAPEXIL) and Export Promotion Council for Handicrafts.

Review of sandalwood export policies

6766. SHRI YERRA NARAYANASWAMY: Will the Minister of COMMERCE be pleased to state:

(a) whether Government will review the policies with regard to sandalwood exports in 1995-96;

(b) whether it is a fact that large stocks of sandalwood are lying idle; and

(c) what Government propose to do with existing sandalwood stocks?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir.